VZCZCXRO9492 PP RUEHDBU DE RUEHAH #0430/01 1171344 ZNY CCCCC ZZH P 271344Z APR 07 FM AMEMBASSY ASHGABAT TO RUEHC/SECSTATE WASHDC PRIORITY 8674 INFO RUCNCIS/CIS COLLECTIVE RUEHLM/AMEMBASSY COLOMBO 0269 RUEHKA/AMEMBASSY DHAKA 0291 RUEHIL/AMEMBASSY ISLAMABAD 1970 RUEHBUL/AMEMBASSY KABUL 0713 RUEHKT/AMEMBASSY KATHMANDU 0137 RUEHNE/AMEMBASSY NEW DELHI 0767 RUEHCG/AMCONSUL CHENNAI 0048 RUEHKP/AMCONSUL KARACHI 0097 RUEHCI/AMCONSUL KOLKATA 0019 RUEHLH/AMCONSUL LAHORE 0033 RUEHBI/AMCONSUL MUMBAI 0058 RUEHPW/AMCONSUL PESHAWAR 0371 RHMFISS/CDR USCENTCOM MACDILL AFB FL RUEAIIA/CIA WASHDC RHEFDIA/DIA WASHINGTON DC//DHO-2/REA/NMJIC-J2// RUEKJCS/JOINT STAFF WASHINGTON DC//J5/RUE// RUEKJCS/SECDEF WASHINGTON DC

C O N F I D E N T I A L SECTION 01 OF 04 ASHGABAT 000430

SIPDIS

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DEPT FOR SCA/CEN (PERRY)

E.O. 12958: DECL: 04/12/2017 TAGS: EPET PGOV PREL RS SCUL TX

SUBJECT: BERDIMUHAMMEDOV AND PUTIN DISCUSS INCREASED GAS

EXPORTS FROM TURKMENISTAN

REF: ASHGABAT

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Classified By: Charge d'Affaires, a.i. Jennifer L. Brush for reasons 1. 4 (B) and (D).

SUMMARY

11. (C) Turkmenistan President Gurbanguly Berdimuhammedov's April 23-24 working visit to Moscow, described by local press as "a political sensation," resulted in no written agreements but represented a step forward in the bilateral relationship. Energy discussions topped the Russian agenda, with Russian President Vladimir Putin offering the possibility of expanding a northern Caspian littoral pipeline for Turkmenistan's gas. Berdimuhammedov brought several specific proposals for cooperation in the education sector. cooperation was notably mentioned in the publicized communique, representing a new area of bilateral discussion. Putin agreed to visit Ashqabat, probably in mid-May, and Russian press reports speculated that although Berdimuhammedov made no concrete promises during his meetings with the Russian president, "real" agreements would be signed during Putin's visit. Foreign Minister called in Charge immediately upon his return to assure her that the Caspian littoral pipeline was nothing new, the discussion in Moscow was how to increase the current volume. Meredov instructed her to tell Washington that the Trans-Caspian Pipeline concept remained on the table, in spite of assertions to the contrary by the Moscow press. End Summary.

"HISTORIC AND RELIABLE PARTNERS"

12. (U) Turkmenistan President Gurbanguly Berdimuhammedov's visit to Russia, characterized in glowing terms by Russian

and local press, resulted in no solid agreements between the two sides. Russian President Vladimir Putin reminded Berdimuhammedov of the "historic and reliable partnership" between the two countries, and each side agreed to move forward with cooperation in the economic, security, and cultural spheres. The visit, which opened April 23 at Putin,s country residence in Novo-Ogarevo and continued at the Kremlin the next day, resulted in a published communique that pledged strengthening of mutual trade and economic ties and enhancement of security and cultural cooperation.

- 13. (SBU) Berdimuhammedov's decision to visit Russia during the first months of his presidency came as no surprise to most local observers; whether he was seduced or cajoled by his northern neighbor, local observers agree that Russia was a natural destination for the new leader. (Comment: Some here speculated that Berdimuhammedov's visit to Saudi Arabia) a visit that squarely followed the example of former President Niyazov) was a largely symbolic trip intended to portray his new government as purified after undertaking the rituals of the hajj. The president was accompanied on his visit to Saudi Arabia by some 40 government officials, including Presidential Security Chief Rejepov, Deputy Chairman of the Committee for Religious Affairs Garriyev, and Deputy Chairman Meredov. Some local press coverage of the visit was religious in nature and accompanied by educational articles on Islam. End Comment.)
- 14. (SBU) On his trip to Moscow, Berdimuhammedov was accompanied by three Deputy Chairmen of the Cabinet of Ministers as well as Defense Minister Mammetgeldiyev and Minister of National Security Ashyrmuhammedov, who held breakout meetings with their Russian counterparts during Berdimuhammedov and Putin's official meeting at the Kremlin.

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¶5. (U) Berdimuhammedov made no concrete promises during his meetings with Putin, and some Russian media outlets suggest that "real" agreements would not be signed until Putin visited Ashgabat, which a spokesperson for Turkmenistan's Embassy in Moscow said would probably occur around May 13.

ENERGY TOPS RUSSIAN AGENDA

- 16. (U) Press accounts of the meetings between the two heads of state focused primarily on energy issues, which appeared to top Putin's agenda during the presidential discussions. Berdimuhammedov promised during the Kremlin talks that he would work with Russia in "all areas of cooperation, first and foremost in the economic sphere and the distribution of Turkmenistan gas," according to The Moscow Times. Both presidents spoke in detail about the present state of) and future prospects for) cooperation in the gas sector.
- ¶7. (SBU) Putin's energy agenda was reflected in his side's representatives during official discussions at the Kremlin. Putin's foreign aide Sergei Prikhodko, Industry and Energy Minister Viktor Khristenko, Gazprom head Alexei Miller, TNK-BP Executive Director German Khan, and head of Stroitransgas Viktor Lorenz all attended the meeting. (Note: Stroitransgas is Gazprom's main pipeline builder. End Note.) Russia's Ambassador to Turkmenistan Blatov and Itera's Igor Makarov also are pictured in photographs of the meetings in Turkmenistan's local press. The Kremlin said in a statement that companies such as LUKoil, Zarubeshneft, Itera, Soyuzneftegaz, Stroitransgas and RusAl were eager to carry out "promising projects" in Turkmenistan. A LUKoil spokesman said that LUKoil Overseas was considering greater involvement in Turkmenistan's oil and gas development.
- 18. (U) The published communique reports that Berdimuhammedov and Putin verbally agreed to honor the 25-year gas deal that Niyazov signed in 2003.

- 19. (SBU) Putin announced during the visit that Russia has "re-launched" the Caspian littoral pipeline at Turkmenistan's request, and suggested that expansion of this pipeline, which skirts the northern shore of the Caspian via Russian territory, would help to increase Turkmenistan's gas exports. (Comment: Putin raised this pipeline option in January 2006 with former President Niyazov, who enthusiastically suggested that Russia and Turkmenistan jointly construct an expansion. End Comment.) Putin noted that the pipeline currently carried 5 million cubic meters of gas daily, representing an annual export of just 1.8 billion cubic meters. (Comment: Post has heard on several occasions that this pipeline, presumably the Central Asia Center-3, has been in constant operation. End Comment.) Berdimuhammedov deferred commitment on this issue, promising only to take the option under consideration back home. In a publicized statement, Berdimuhammedov said that he would "provide the option for the consideration of our experts." Local press quoted Berdimuhammedov as emphasizing that the Caspian littoral pipeline was just one of many options for bringing Turkmen energy to the world market.
- 110. (SBU) Some local observers noted that Berdimuhammedov handled his meeting with Putin with caution, listening closely to his counterpart's suggestion while avoiding promises. He declined to publicly endorse Niyazov's September 2006 pledge to refrain from joining a Trans-Caspian project at any time in the future, according to press, and the two presidents made no headway on Caspian delimitation issues. (Comment: A Caspian Sea working group met in Ashgabat from April 23-24, with the usual rhetoric and no concrete result. End Comment).

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BERDIMUHAMMEDOV ENCOURAGES RUSSIAN INVOLVEMENT IN EDUCATION

- 111. (U) Although he appeared to approach other areas of cooperation with reservation, Berdimuhammedov came armed with several specific proposals for cooperation in education. During their first official meeting, Berdimuhammedov invited Putin to take part in the groundbreaking ceremony for the enlargement of the "Pushkin School," the joint Turkmen-Russian school. He also welcomed opening a branch of Moscow State University at the "Ruhnama University," a Niyazov-era proposal for a large international university. Berdimuhammedov suggested that Turkmenistan also could open a local branches of the Gubkin University in the Turkmenistan Polytechnic Institute.
- 112. (U) Berdimuhammedov invited Russian scholars to participate -- along with international scholars -- in the future Ruhnama University, and asked for Russian assistance in curriculum development for secondary schools. (Comment: Some observers here speculated that Russia could be a natural partner for Turkmenistan in curricular reform because of the shared Soviet roots of the two countries' systems of education, despite the wreckage of Turkmenistan's educational system through Niyazov-era "reforms" and the reduction in Russian language training, which created a generation raised speaking only Ruhnama-sourced Turkmen. End Comment.)

PUTIN RAISES SECURITY COOPERATION

113. (SBU) Assuring his guest that he respected Turkmenistan's neutral status, Putin raised the issue of security cooperation with Berdimuhammedov. (Comment: Security cooperation would be a new area of the bilateral relationship, although Putin raised the issue of cooperation with Niyazov in the past, to no avail. End Comment.) Local press reports that Putin underscored the possibility for renewed cooperation in areas of concern, including the fights against terrorism, drugs trafficking, and organized crime. Putin also suggested increasing positive contacts between

JOINT RUSSIAN-TURKMEN COMMISSION

114. (U) The presidents discussed resuscitation of a Joint Russian-Turkmen Commission, which would be co-chaired by Turkmenistan's Deputy Chairman Meredov and Russian Deputy Prime Minister Sergei Naryshkin. The Commission's next meeting was scheduled for June. (Note: This commission was formed under President Niyazov to address issues of economic cooperation and has been largely inactive for the last four years. End Note.)

Meredov Calls in Charge

115. (C) On April 26 Foreign Minister Meredov called in Charge to debrief her on the trip. He said he had just arrived from Moscow a couple of hours earlier and wanted to put debriefing her at the top of his agenda. Meredov said that he and President Berdimuhammedov had read "with interest and respect" SCA/CEN PDAS Mann's reftel letter and therefore wanted to inform Washington that a Trans-Caspian Pipeline remained on the table. He said to tell Mann that the proposed dates for a visit for May 29-30 were approved and that Mann could come with "whomever he wanted." Meredov emphasized, however, that Turkmenistan was looking for a "concrete proposal," with specific steps. Meredov said he

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knew that this proposal would involve complicated political and economic issues but that the Turkmenistani side was ready to address these issues. After Meredov rabbited the mantra that Turkmenistan's policy was to sell gas "up to the border," Charge said that direct contact with consumers was far more beneficial to Turkmenistan. According to Meredov, "we're willing to address that too." In response to Charge's comment that she was trying to imagine the day that Berdimuhammedov would announce ground-breaking for a TCP, cognisant of possible Russian reactions, Meredov shrugged and repeated, "we are a sovereign nation."

COMMENT

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- 116. (C) Although Berdimuhammedov managed to dodge any specific commitment of Turkmenistan's gas resources, it is clear that Russia has begun a full court press on Turkmenistan's leadership for future control of energy export routes. Russia may have felt that it was losing ground in Turkmenistan following Niyazov's death because Berdimuhammedov elected to talk with a variety of private sector and diplomatic players about the possibilities for alternative and additional gas pipelines exiting Turkmenistan. Putin's courting of Berdimuhammedov) rich with references to a shared history and culture) was aimed at increasing the sense of familiarity and security that the new president feels in dealing with Russia. References to Niyazov's agreements with Russia in the gas sector, including the suggestion that Russia built the Caspian littoral pipeline at Niyazov's request, represented attempts to secure the cooperation of a new leader, less experienced in the politics of energy, but determined to preserve his promise of following his predecessor's path.
- 116. (C) Russia's diplomatic offensive)- including Lavrov's successful visit to Ashgabat earlier this month, with its focus on cultural affairs)- is intended to re-introduce Russia as Turkmenistan's main partner, one respectful of Turkmenistan's foreign policy of "permanent, positive neutrality," who is genuinely interested in Turkmenistan's development. Berdimuhammedov's interest in Russian cooperation in the education sector is not surprising, as the new president has consistently raised education as his priority for reform. Russia's emphasis on security

cooperation may resonate more strongly with Berdimuhammadov than it did with Niyazov. That the new president brought both his Defense Minister and Minister of National Security to Moscow represents a new interest in hearing what the Russian side has to offer. End Comment. BRUSH